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February 20, 2004

Advice No. 3355
(U 904 G)

Public Utilities Commission of the State of California

Subject: January 2004 Standby Procurement Charges

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

Purpose

This routine monthly filing updates the Standby Procurement Charges in Schedule No. G-IMB for January 2004.

Background

Resolution G-3316, dated May 24, 2001, revised the Schedule No. G-IMB Standby Procurement Charge for negative monthly transportation imbalances that exceed the 10% tolerance band. The Standby Procurement Charges are:

1. Calculated at 150% of the highest daily border price index at the Southern California border for the period plus a Brokerage Fee of 0.266¢ per therm for noncore retail service and all wholesale service, and 0.201¢ per therm for core retail service. The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index - Southern California Border Average" and "Gas Daily's Daily Price Survey - SoCal gas, large pkgs Midpoint."
2. Calculated for a period that begins from the first day of the "flow month" (the month that the imbalance is incurred) and ends five days prior to the start of the imbalance trading period.
3. Posted at least one day in advance of the imbalance trading period.

Information

For the "flow month" of January 2004 (covering the period January 1, 2004 to February 18, 2004), the highest daily border price index at the Southern California border is **\$0.65825** per therm. The resultant Standby Procurement Charges, calculated in the manner set forth above, are **\$0.99004** per therm for noncore retail service and all

wholesale service, and **\$0.98939** per therm for core retail service. The workpaper showing details of the calculation of these rates is incorporated herein as Attachment C.

Protest

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date of this Advice Letter. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division - IMC Branch
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (jjr@cpuc.ca.gov) and Honesto Gatchalian (inj@cpuc.ca.gov) of the Energy Division. A copy of the protest shall also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-Mail: snewsom@semprautilities.com

Effective Date

It is respectfully requested that the tariff sheets filed herein be made effective February 20, 2004, the date filed, in order to comply with the Resolution G-3316 requirement that the rates be posted at least one day in advance of the start of the imbalance trading period, which is February 23, 2004.

Notice

In accordance with Section III.G of General Order No. 96-A, a copy of this advice letter is being sent to the parties listed on Attachment A.

J. STEVE RAHON
Director
Tariffs and Regulatory Accounts

Attachments

ATTACHMENT A

Advice No. 3355

(See Attached Service List)

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ATTACHMENT B
Advice No. 3355

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 37553-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 37417-G
Revised 37554-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 37418-G
Revised 37555-G	TABLE OF CONTENTS	Revised 37483-G
Revised 37556-G	TABLE OF CONTENTS	Revised 37484-G

PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 6

(Continued)

PROCUREMENT CHARGE (Continued)

Schedule G-CS

Core Subscription Procurement Charge, per therm N/A*

Schedule GW-LB, GW-SD, GW-SWG and GW-VRN

Core Subscription Procurement Charge, per therm N/A*

CORE SUBSCRIPTION RESERVATION CHARGE

Schedule G-CS, GW-LB, GW-SD, GW-SWG and GW-VRN

Rate, per therm N/A*

* Pursuant to D.01-12-018, service is no longer offered under the Core Subscription Program. Core subscription rates are no longer applicable and will not be updated effective December 1, 2003.

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

November, 2003 94.926¢

December, 2003 98.939¢

January, 2004 98.939¢**

Noncore Retail Standby (SP-NR)

November, 2003 94.991¢

December, 2003 99.004¢

January, 2004 99.004¢**

Wholesale Standby (SP-W)

November, 2003 94.991¢

December, 2003 99.004¢

January, 2004 99.004¢**

Buy-Back Rate

Core and Noncore Retail (BR-R)

November, 2003 21.370¢

December, 2003 22.905¢

January, 2004 27.903¢

Wholesale (BR-W)

November, 2003 21.266¢

December, 2003 22.793¢

January, 2004 27.767¢

** Pursuant to Resolution G-3316, the January 2004 Standby Procurement Charge will be filed by separate advice letter at least one day prior to February 23, 2004.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3355

DECISION NO.

6H8

ISSUED BY

Lee Schavrien

Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 20, 2004

EFFECTIVE Feb 20, 2004

RESOLUTION NO. G-3316

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Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 2

(Continued)

RATES (Continued)

Standby Procurement Charge

This charge is applied to customer's cumulative negative transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 10 percent tolerance band. The Standby Procurement Charge is posted at least one day in advance of each corresponding imbalance trading period for noncore/wholesale and core transport agents (CTAs). It is calculated at 150% of the highest daily border price index at the Southern California border beginning on the first day of the month that the imbalance is created to five days prior to the start of each corresponding imbalance trading period plus a Brokerage Fee of 0.266¢ per therm for noncore retail service and all wholesale service, and 0.201¢ per therm for core retail service. The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index – Southern California Border Average" and "Gas Daily's Daily Price Survey – SoCal gas, large pkgs Midpoint."

Core Retail Service:

SP-CR Standby Rate, per therm

November, 2003	94.926¢
December, 2003	98.939¢
January, 2004	98.939¢*

Noncore Retail Service:

SP-NR Standby Rate, per therm

November, 2003	94.991¢
December, 2003	99.004¢
January, 2004	99.004¢*

Wholesale Service:

SP-W Standby Rate per therm

November, 2003	94.991¢
December, 2003	99.004¢
January, 2004	99.004¢*

* Pursuant to Resolution G-3316, the January 2004 Standby Procurement Charge will be filed by separate advice letter at least one day prior to February 23, 2004.

Buy-Back Rate

This rate is applied to customer's cumulative positive transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 10 percent tolerance band. The Buy-Back Rate is established effective the last day of each month and will be the lower of 1) the lowest incremental cost of gas purchased by Utility during the month the excess imbalance was incurred; or 2) 50% of the applicable Adjusted Core Procurement Charge, G-CPA, set forth in Schedule No. G-CP, during the month such excess imbalance was incurred.

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(TO BE INSERTED BY UTILITY)
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 Vice President
 Regulatory Affairs

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 DATE FILED Feb 20, 2004
 EFFECTIVE Feb 20, 2004
 RESOLUTION NO. G-3316

TABLE OF CONTENTS

(Continued)

GT-SD	Intrastate Transmission Service	37287-G,30593-G,30594-G,36311-G
GT-PS	Peaking Service	37288-G,37289-G,37290-G,37291-G 37292-G,37293-G,35955-G,35956-G,35957-G
GW-LB	Wholesale Natural Gas Service	37294-G,35885-G,36731-G,32678-G,32679-G 32680-G,35958-G
GW-SD	Wholesale Natural Gas Service	37295-G,37296-G,36732-G 32685-G,35959-G
GW-SWG	Wholesale Natural Gas Service	37297-G,35887-G,32689-G 32690-G,35960-G
GW-VRN	Wholesale Natural Gas Service	37298-G,35888-G,36733-G 32695-G,32696-G,35961-G
G-IMB	Transportation Imbalance Service	36312-G,37554-G,37419-G,37481-G 37482-G,36313-G,33498-G
G-ITC	Interconnect Access Service	32698-G,32699-G
G-BSS	Basic Storage Service	32700-G,32701-G,32702-G,32703-G 32704-G,32705-G,32706-G,32707-G
G-AUC	Auction Storage Service	32708-G,32709-G,32710-G,32711-G 32712-G,32713-G,36314-G,32715-G
G-LTS	Long-Term Storage Service	32716-G,32717-G,32718-G,32719-G 32720-G,32721-G,32722-G,32723-G
G-TBS	Transaction Based Storage Service	32724-G,32725-G,27374-G,27375-G 31929-G,36315-G,27378-G
G-CBS	UDC Consolidated Billing Service	34071-G,34072-G,34073-G,33095-G
G-PPPS	Tax Surcharge to Fund Public Purpose Programs	37025-G,34262-G
G-SRF	Surcharge to Fund Public Utilities Commission Utilities Reimbursement Account	37199-G
G-MHPS	Surcharge to Fund Public Utilities Commission Master Metered Mobile Home Park Gas Safety Inspection and Enforcement Program	32828-G
G-MSUR	Transported Gas Municipal Surcharge	36621-G,25006-G
GIT	Interruptible Interutility Transportation	24567-G,24568-G
GLT	Long-Term Transportation of Customer-Owned Natural Gas	24569-G,24570-G,24571-G
GLT-1	Transportation of Customer-Owned Natural Gas	24572-G,24573-G,24574-G 24575-G,24576-G,24577-G
GLT-2	Transportation of Customer-Owned Natural Gas	24578-G,24579-G,24580-G 24581-G,24582-G,24583-G
G-LOAN	Hub Loaning	37299-G
G-PRK	Hub Parking	37300-G
G-WHL	Hub Service	37301-G
G-FIG	Fiber Optic Cable in Gas Pipelines	37005-G,37006-G,37007-G,37008-G 37009-G,37010-G,37011-G,37012-G,37013-G

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(Continued)

(TO BE INSERTED BY UTILITY)
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 DECISION NO.

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Lee Schavrien
 Vice President
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(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 20, 2004
 EFFECTIVE Feb 20, 2004
 RESOLUTION NO. G-3316

TABLE OF CONTENTS

The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	21888-G
Table of Contents--General and Preliminary Statement	37556-G,37306-G
Table of Contents--Service Area Maps and Descriptions	28516-G
Table of Contents--Rate Schedules	37474-G, 37475-G,37555-G
Table of Contents--List of Cities and Communities Served	36976-G
Table of Contents--List of Contracts and Deviations	36976-G
Table of Contents--Rules	36626-G,36627-G
Table of Contents--Sample Forms	36794-G,37017-G,37018-G,37071-G,36796-G

PRELIMINARY STATEMENT

Part I General Service Information	24331-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges	37456-G, 37457-G, 37458-G,37230-G, 37459-G,37553-G 32491-G,32492-G,37198-G, 37426-G, 37427-G,37235-G,37236-G
Part III Cost Allocation and Revenue Requirement	27024-G,27025-G,27026-G,27027-G,37237-G
Part IV Income Tax Component of Contributions and Advances	36614-G,24354-G
Part V Description of Regulatory Accounts-Balancing	35874-G,34820-G,37003-G 37004-G,34822-G,34823-G,34824-G,34825-G,34826-G,34827-G,34682-G,35770-G,35874-G
Part VI Description of Regulatory Accounts-Memorandum	37224-G,34279-G,34280-G 34281-G,34282-G,34283-G,34284-G,34285-G,34286-G,34683-G,34684-G,34289-G 34290-G,34291-G,34829-G,34830-G,34831-G,35358-G,36867-G,36926-G,37225-G
Part VII Description of Regulatory Accounts-Tracking	36022-G,34373-G,34374-G 34375-G,34376-G,34377-G,34378-G,34379-G,36023-G
Part VIII Gas Cost Incentive Mechanism (GCIM)	35876-G,35877-G,35878-G,36869-G 36870-G,35881-G
Part IX Hazardous Substances Mechanism (HSM)	26199-G,26200-G,26201-G
Part X Global Settlement	32530-G,32531-G,32532-G,32533-G

(Continued)

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Lee Schavrien
 Vice President
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ATTACHMENT C

ADVICE NO. 3355

**RATE CALCULATION WORKPAPER
SCHEDULE NO. G-IMB STANDBY PROCUREMENT CHARGE FILING
EFFECTIVE JANUARY 2004**

G-IMB Standby Procurement Charge Calculation

The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index - Southern California Border Average" and "Gas Daily's Daily Price Survey - SoCal gas, large pkgs Midpoint."

The highest daily border price index for the period was on January 7, 2004.

1/07/04 NGI's Daily Gas Price Index (NDGPI) = \$0.6550 per therm

1/07/04 Gas Daily's Daily Price Survey (GDDPS) = \$0.6615 per therm

Highest Daily Border Price Index (HDBPI) = (NDGPI + GDDPS) / 2

HDBPI = \$0.65825 per therm

SP-CR (Core Retail) = 150% x HDBPI + Core Brokerage Fee

SP-CR = 150% x \$ 0.65825 + \$ 0.00201 = \$ 0.98939

SP-NR (Noncore Retail) = 150% x HDBPI + Noncore Brokerage Fee

SP-NR = 150% x \$ 0.65825 + \$ 0.00266 = \$ 0.99004

SP-W (Wholesale) = 150% x HDBPI + Noncore Brokerage Fee

SP-W = 150% x \$ 0.65825 + \$ 0.00266 = \$ 0.99004